A.M.A. NEWS LETTER

AMERICAN MANAGEMENT ASSOCIATION, 330 WEST 42nd ST., NEW YORK, N. Y.

MARCH 20, 1937

Packaging Conference And Exposition Opens To Run for Four Days

10,000 Expected to Attend Colorful Showing of Packages and Package Materials

Principal activity of the AMA at this moment is the Seventh Packaging, Packing and Shipping Conference and Exposition, opening March 23 to run for four days at the Hotel Pennsylvania, New York City.

It is expected that when the final count is made on the closing night of the show, it will be found that 10,000 people attended the exposition where 71 makers of packages, packaging materials and equipment are displaying their wares.

Running concurrently with the exposition is the conference on packaging, packing and shipping problems, drawing an attendance of merchandising executives from throughout the United States.

Luncheon Meeting

Presentation of the Wolf Trophy, America's highest packaging award, will be made at a luncheon meeting on Tuesday, March 23, when the donor of the trophy, Irwin D. Wolf, Vice President of the Kaufmann Department Stores, Inc., Pittsburgh, will give an address on "Influences of Recent Legislation on Packaging Trends."

Winner of the trophy this year is the Adrienne Cosmetic line of the United Drug Company, designed by Gustav Jensen. Twenty other packages and shipping containers were given certificates of award, and dozens more received honorable mention in the various classifications in which they were entered.

With different sessions of the conference running concurrently, it is expected that the meeting will result in a much greater volume of information than was ever before developed by a single conference.

Personnel Proceedings

Proceedings of the Conference on Industrial Relations held in Philadelphia came off the press this week and are on the way to members.

Company Memberships Grow Over Individual, Tally Shows

A trend away from individual memberships in the AMA to company memberships is revealed in an analysis made this week of new members. The analysis showed a distinct increase in the company form of membership for recent months, compared with a similar period of a year ago. It was further disclosed that many company members are adding additional executives to the list of those now receiving AMA service.

Factors contributing to bring about this trend are generally conceded to be a growing awareness of the need for management helps, better business conditions, and expanding AMA service.

If you know of companies or individuals who should be getting the advantages of an AMA membership, send their names to the Membership Department at AMA headquarters, so that an invitation may be extended to them.

UNITED DRUG WINS PACKAGING TROPHY

The Adrienne Cosmetics family of packages used by the United Drug Company, and designed by Gustav Jensen, took first honors in the 1936-37 Irwin D. Wolf Awards Competition for distinctive merit in packaging, it has been announced by the AMA Jury of Award.

For the first time in the history of the competition, there was an honorable mention for the Wolf Trophy. This went to E. I. du Pont de Nemours & Co., Inc., for its DuLux Marine Finishes, designed by Stuart L. Johnston.

"Gone with the AMA"

The Facts and Figures Department came out with the announcement the other day that if all the AMA publications that have appeared and will appear in the current AMA year were bound under one cover, they would make a volume equivalent to two copies of "Gone with the Wind." Here are 2,000 pages of practical management helps, best sellers, too, in business literature, because they are sound and specific.

GOLFING SESSION FOR INSURANCE MEN

The Insurance Division of the AMA has made reservations at the Sea View Golf Club, Atlantic City, N. J., for Sunday, May 23, and will hold a golf tournament there in conjunction with the AMA's Eighth Annual Insurance Conference, which will take place the two days following, May 24-25.

The tournament will be an informal one, and there will be bridge for those who do not play golf.

Enough prizes have been donated, it is reported at these offices, for awards to be made for the 8's, 9's, and even the "no cards."

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HELPS

For Marketing Executives

We Recommend These Publications

1. **Sales Training Programs**
   (C.M. 21) .... $.50
   Specific information on getting more sales per man through training
2. **Appraisals of the Robinson-Patman Act and Consumer Cooperation**
   (C.M. 22) 1.00
   Appraisals of the importance of these two new phenomena of marketing
3. **New Approaches to the Sales Problem**
   (C.M. 23) 1.00
   Three new approaches to selling that are "musts" in planning new sales campaigns
4. **Profits from Marketing Research**
   (C.M. 24) 1.00
   Here's something new, too, a plan for making market research show tangible results

Send Orders to AMA Headquarters

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MARCH 20, 1937

PRODUCTION MEETING SHIFTED TO CHICAGO

New Dates Also Fixed—Now Set for April 21-22

The 11th Annual Production Conference of the AMA will be held at the Palmer House in Chicago on April 21-22 instead of in Detroit, as formerly announced.

The change of date and place was announced this week by Earl M. Richards, Vice President in Charge of the AMA Production Division, and Assistant to the Vice President in Charge of Operations of the Republic Steel Corporation.

Mark the new dates on your calendar!

Meanwhile speakers have been selected for four of the major topics listed for discussion, and a complete program is expected to be available about April 1.

Charles M. White, Vice President in Charge of Operations of the Republic Steel Corporation, will speak on the first of the subjects—"Means of Obtaining Better Understanding Between Management and Men." Under this topic heading there will come consideration of such matters as putting company problems before the new man, employee enlightenment on social, economic and industrial questions of the day, and making collective bargaining a fair, flexible and satisfactory way of securing understanding between men and management.

Measured Day Work

The important subject of "Measured Day Work," which has aroused great interest on the part of those who have seen copies of the advance program, will be discussed by William W. Gumprich, Manufacturing Engineer, International Business Machines. Mr. Gumprich will consider the advantages and disadvantages of measured day work as compared with other incentive systems from the standpoint of the worker and the company. He will explain its possible effect on piece work and bonus, and how measured day work will apply in a jobbing plant, and whether it is possible to correct present wage irregularities when changing to the measured day work basis.

Ways of accelerating the training of skilled men will be discussed by Thomas Turner, General Superintendent of the Newark Division of the Westinghouse Electric and Manufacturing Company. Questions coming under this heading include: How can promising men in the common labor and semi-skilled classes be located and developed for skilled jobs [illegible] set aside from the direct production line for training men under a foreman who would function more as a teacher than as a supervisor? In cases where there is resistance of skilled operators to the training of others for skilled jobs, how can the situation be met?

Equipment Maintenance Costs

The control of equipment maintenance costs will be covered by Frederick Oakhill, Plant Engineer, Bauer & Black, Division of the Kendall Company, Chicago, who will answer such questions as: Should maintenance work be controlled so its volume follows the rate of operations? Should allowed hours be set on each piece of work as it is turned into the maintenance department? How are such allowed hours determined? How can inspection of equipment be scheduled so that minor repairs are made before major repairs are necessary?

A session of the conference that is expected to arouse much discussion is that on methods of giving the responsible executive an up-to-the-minute picture of what hapens in his plant. This session, which is now being organized by Mr. Richards, will consider ways of formulating reports that enable the plant superintendent to determine quickly the bad spots, delays, etc.

Chicago Associations Lending Cooperation

Following out the plan that operated so successfully with previous meetings, and particularly with the Industrial Relations Conference in Philadelphia last month, the Association is securing the cooperation of a number of industrial associations of Chicago in planning the Production Conference that will be held there on April 21-22.

DUN & BRADSTREET NOW IN FORECASTS

"Dun's Review" Is Now New Source Contributing to AMA Business Conditions Compilation

Beginning with the present month, the *Business Conditions and Forecasts* which occupy the inside pages of this NEWS LETTER, will include extracts from *Dun's Review,* monthly publication of the famous rating and statistical firm, Dun & Bradstreet.

Information will appear from this new source regularly on the ten factors going to make up the AMA compilation. The principal contributions of *Dun's Review* will be its statistical advices on business failures and on distribution secured through the unique and extensive reporting facilities of Dun & Bradstreet.

The inclusion of the new source is made possible through the generous cooperation of Arthur D. Whiteside, President of Dun & Bradstreet, and Dr. Willard Thorp, Director of the company Bureau of Economic Research.

General Meeting Due In May or Early June

Planned to Be Held with Institute Of Management Sessions

The Annual General Management Conference of the AMA is likely to be held late in May or early in June in conjunction with the meeting of the Institute of Management, Alvin E. Dodd, President of the Association, stated this week.

Definite dates will be announced shortly, Mr. Dodd said. Meanwhile formation of program plans is underway. The sessions of the Institute of Management are being planned by Carle M. Bigelow of the Calco Chemical Company, President of the Institute.

It is probable that the conference will be held in New York City, in a setting similar to that of other years. In culminating the conference season of the Association, the meeting will bring together members from all divisions.

This digest covers the views of various authorities. It does not include any strictly confidential information nor specific advices from the sources.

BUSINESS CONDITIONS

Vol. 10, No. 3 March, 1937

	Alexander Hamilton Institute	Babson Statistical Organization	Brookmire, Inc.	Business
General Outlook	The national income declined in January for the third consecutive month. The February figure will probably continue downward, but a reversal of the movement is in prospect for March and April (March 13).	Instead of drastic reversals, we expect at most a moderate temporary lull, possibly in May or June; some hesitation might well follow the high rate of production and large-scale buying occurring (March 15).	Tension over labor troubles appears to be easing; and if a coal strike is averted, prospects for the best spring business in years should be amply fulfilled (March 6).	Administration pre pectancy of cheaper other boom in prosp of labor's demands a cessions. Workers in dustry climb aboard
Money and Credit	The amount of inflation increased sharply in 1936, the index rising to 92.1 from 74.3 in 1935 and 8.5 in 1932. The extent of the present movement indicates that its end is at hand (March 6).	Do not put too much confidence in the ability of Washington to hold down the lid on long-term money rates for a long period; average investor might well hedge against the partial failure of currency management (March 8).	Commercial loans are again rising, after only a short-lived seasonal decline; bank investments have been increasing at the same time; expansion of bank credit continues apace (March 6).	Discouraged critics of fiscal stability is in velt is prepared to pr relief system relate (March 6).
Security Markets	The fundamental and technical positions coincide in indicating no change in the trend of the bull market which, in its present phase, started in the spring of 1935 and, as a major movement, in the summer of 1932 (March 11).	A favorable symptom for stocks is when labor sits down; 1st and 2nd quarter earnings may far outrun forecasts of average investor; neither labor war nor peace will halt market's long upward trend (March 15).	Though it must be recognized that the stock markets may again become more selective, present conditions continue to favor a rising trend for the near and long term (March 6).	
Production	Automobile production and cotton mill activity in January dropped below December's levels. Steel output, however, rose to a new recovery peak which is not likely to be maintained for any long period (March 13).	We do not look for any severe recession in manufacturing and buying; such activities have not been excessive in comparison with consumption and general business (March 15).	Steel production is within 15% of its theoretical capacity even though much recovery remains to take place in a number of steel consuming industries; indications of strained capacity are visible (March 6).	Industry-wide auto in February held wel despite the fact that the running; a Marc 550,000 units had be this latest labor hitch
Distribution	New passenger car sales in 1936 were, with the exception of 1929, the highest on record. Commercial car registrations increased in 1936 for the fourth consecutive year to a new all-time high (March 6).	Least sales resistance should be met in the Great Lakes region, the extreme Northwest, the Southeast, and the Texas-Southwest; present sellers' market should permit building up good sales volume (March 8).	Retail trade in terms of dollars is now within 10% of the best month of 1929; sales in physical volume are probably in excess of '29 because of lower prices; the retail outlook is good (March 6).	First two months' s stores ran 11% ahe months of 1936, bu chants are counting c for March, which in business (March 13)
Building	Building activity was lower in January than in December but the decrease was much less than the seasonal amount. Compared with the volume a year ago, there was an increase of 25.7% (March 13).	The trend in prices of building materials remains upward; stage seems set for well-maintained to higher prices, and delayed action on building means less for the dollar (March 15).		Factory constructio no records, but jud increase since the over the first two mo year is going to com not surpass it (Mar
Agriculture	Farm cash income from the sale of agricultural products increased 13.8% in January over January a year ago. Farmers' purchasing power increased 15.5% (March 13).		Farmers generally are enjoying a considerable measure of prosperity; 1937 farm income begins far over 1936, and the gain appears likely to be maintained (March 6).	One form of Ohio cannot be assessed f is the probable spread through the lower Oh valleys (March 13).
Commodity Prices	Wholesale commodity prices rose in January for the third consecutive month to a new recovery peak. The index in January was 85.4, compared with 84.2 in December and 80.6 in January 1936 (February 27).	Strength predominated this past month in agricultural prices showing substantial gains over a year ago; leading wholesale price indexes should reach still higher levels this year (March 8).	A broad increase is likely in a wide number of finished manufactured products, and this should carry through to retail prices; further strength is likely in raw materials, though some metals may become vulnerable (March 6).	High cost of living tration worried—not prices—but because sure to come as result in steel, automobiles lines (March 6).
Labor and Wages	After reaching a peak for the recovery movement in December, factory payrolls were curtailed in January, when they were, nevertheless, 22.8% above the previous year (March 6).	The 1.7% decline in employment during the latest month on record would have been a contra-seasonal gain had it not been for labor disputes; employment usually contracts before spring buying is felt (March 15).	Despite the rather sizable boost in labor costs, second quarter earnings prospects are promising; rising labor costs in some cases can be passed on in higher prices (March 6).	C. I. O.-directed la ning more than the Labor Relations Boa New Deal put togeth much less delivered
Foreign Trade and Conditions		In Canada the outlook for retail trade is the best since '29; sales as a whole throughout the provinces are averaging 8% above the same time a year ago (March 15).	Foreign exchanges show declines in the pound and franc; conditions in France are unsettled; our Government may be willing to let the pound and franc reach lower ratios to the dollar to check too rapid price advances here (March 6).	Refusal of Wash France to float a pi loan in this market franc. If the "touch" in France and Eng position will be preca

ONS AND FORECASTS

ch, 1937

BUSINESS WEEK	DUN'S REVIEW	CLEVELAND TRUST COMPANY	NATIONAL CITY BANK
istration pressure plus the ex- of cheaper dollars with an- om in prospect swell the wave s demands and industry's con- Workers in industry after in- imb aboard (March 13).	After restrictive influences of flood and labor disputes, activity increased in late February and early March to about same gains over last year as in preceding quarter (April).	Artificial stimulation is combining with the natural forces of recovery to produce exceptionally vigorous business activity both here and abroad (March 15).	Current trade reports show that business is making a good recovery from the brief setback in January; a strong rebound after interruption of this kind is natural (March).
raged critics say no real hope tability is in sight until Roose- epared to propose a permanent stem related to actual needs 5).	Bank clearings, 22 U. S. cities, February, $23,718 million; 7.5% up from year ago; Insolvency Index (Business Failures), February, 48.4 compared with 46.0 in January, 56.4 a year ago, and 45.3, 1936 monthly average (April).		A more normal level of interest rates in the short-term field would be a good thing in that it would strengthen the banks' earning power and aid them in rebuilding capital funds (March).
		Our security markets are strong, but troublesome is the foreign investing here caused by our better peace outlook and dollar devaluation which makes the U. S. a bargain counter for all nationals with gold (March 15).	
y-wide automobile production ary held well above a year ago ne fact that G. M. was out of ng; a March total of at least nits had been expected until t labor hitch (March 13).	The January decline in production specifically reflected strikes and floods. Generally production in late February and early March reached new post-depression highs with good back logs of orders (April).	March output of autos will be one of the largest on record, and iron and steel is approaching new high records; coal demand is such that there is a shortage of cars to provide transportation (March 15).	Some industries are running at practical capacity; restrictions on production in some commodities have not been relaxed soon enough due to miscalculations of officials in control of quotas (March).
vo months' sales of department n 11% ahead of comparable of 1936, but optimistic mer- e counting on an 18% increase h, which includes the Easter (March 13).	U. S. Trade Barometer, January, 99.5; 2.3% below December; 18.2% above year ago with regions from Great Lakes south to Louisiana and Florida showing greatest gains of last 12 months (April).	Retail trade is brisk, almost booming, but its special vigor is due to increased consumer purchasing power provided by government subsidies flowing from unbalanced budgets (March 15).	Retail trade is running above last year by 12 to 15% on the average; merchants expect to show gains in Easter business, and have good reasons for confidence (March).
construction last month broke ds, but judging by the 86% since the first of the year first two months of 1936, this oing to come close to 1929 if ss it (March 6).	Building permit values, 215 cities, February, $85,981,696, 25.4% above January, 66.8% above year ago; outside N. Y. City 35.1% over year ago; New York City, 189.2% up (April).		
rm of Ohio flood damage that assessed for several months bable spread of the corn borer he lower Ohio and Mississippi March 13).			The Department of Agriculture continues optimistic on the trend of farm income; it foresees for the near future a strong consumer demand and firm prices, as well as large Treasury payments to farmers (March).
ost of living has the Adminis- orried—not because of present ut because of sharp advances me as result of wage advances automobiles, dozens of other rch 6).	On March 1 the Dun & Bradstreet wholesale price index reached $11.3494, a gain of 1.0% over February's $11.2320, and of 14.4% over the year ago index of $9.9196 (April).		The trend of prices of manufactured goods is now strongly upward, due to higher wages, Social Security, and strong demand; February retail prices in department stores were 5% over a year ago (March).
-directed labor units are win- e than the NRA, National elations Board or all that the l put together ever promised, delivered (March 13).	January payroll totals showed the expected decrease, instead of the extraordinary increases of the last few months of 1936, but decrease was small; payrolls 23% ahead of January 1936 (April).	Wage increases and shortened hours are being announced daily, not because of exceptional profits, but in the hope that they will forestall demands, and so avoid strikes (March 15).	Temporarily strikes tend to increase industrial activity; of course, no one is under the illusion that such a stimulus is beneficial; buying is at the expense of the future, and actually an element of instability (March).
l of Washington to allow float a piece of its coming his market is a blow to the the "touch" is not successful e and England, the franc's vill be precarious (March 13).	Imports have grown faster than exports for two years as national purchasing power has increased. In 1936 imports were 18% greater than in 1935; exports gained 7% (March).	Almost all important nations are spending beyond their incomes, and business everywhere is being stimulated as a result; new records are being made by steel and iron because of the demand for war materials (March 15).	As a result of mixed international gold movements and newly mined gold, the principal gold-holding nations have had no loss of gold during the post-devaluation period, but have actually continued to gain (March).